



The President's Daily Brief

12 August 1972

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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

12 August 1972

PRINCIPAL DEVELOPMENTS

In South Vietnam, government forces are continuing to make headway in Quang Tri City. (Page 1)

Laotian Prime Minister Souvanna suffered a setback yesterday in his lengthy dispute with rightist elements in the National Assembly. (Page 2)

[redacted]
[redacted] Japan [redacted]
[redacted]
[redacted] China. (Page 3)

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Libyan President Qadhafi apparently is considering nationalizing or restricting the production of US oil companies. (Page 5)

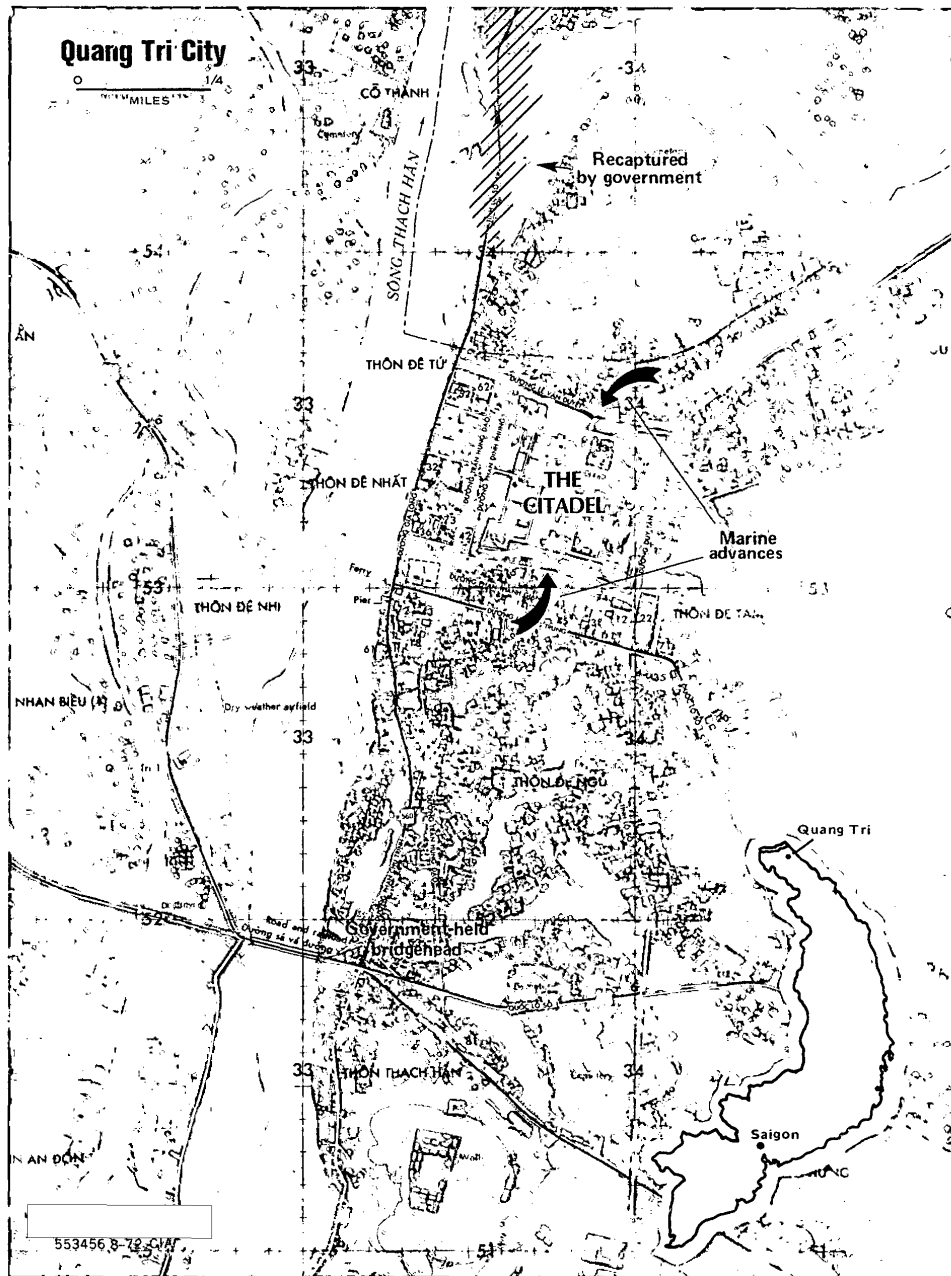
[redacted]
[redacted] Middle East [redacted] (Page 6)

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[redacted] the Soviets are installing a large radar in central Mongolia. (Page 7)

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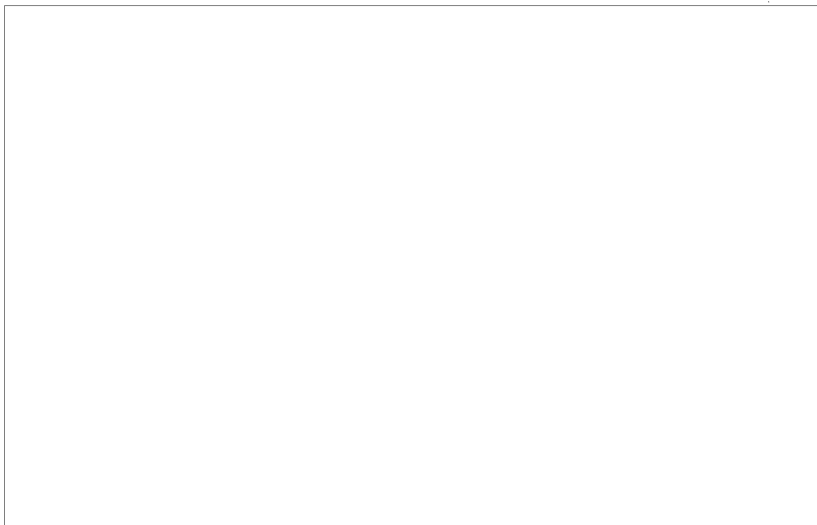
SOUTH VIETNAM

Government forces are continuing to make headway in Quang Tri City. South Vietnamese Marines now hold a key portion of the main road north of the citadel, cutting at least one of the enemy's supply routes into the fortress. Other marine units have edged closer to the citadel's southern and northern walls, but heavy Communist artillery fire is preventing these forces from entering the fortress through the large breaks in the walls.

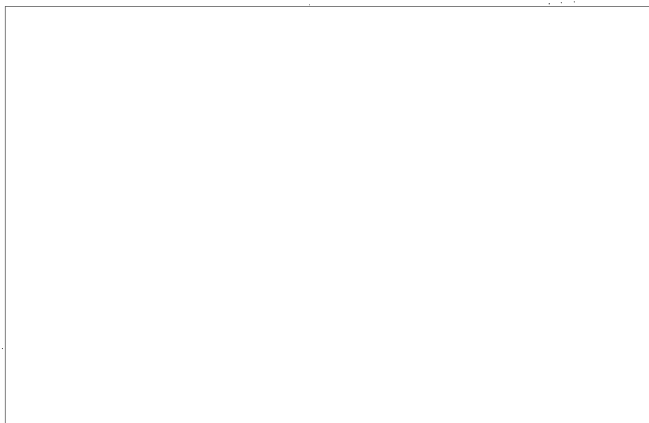
Throughout the rest of the country, enemy shellings and rocket attacks have increased in recent days, although Communist ground action remains relatively light.

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LAOS

Prime Minister Souvanna is still having trouble settling his lengthy dispute with rightist elements in the National Assembly

The powerful Sananikone family is again pressuring Souvanna to reshuffle the cabinet and drop Sisouk--its archenemy--as finance minister in exchange for an assembly vote of confidence that would endorse the government's tripartite facade.

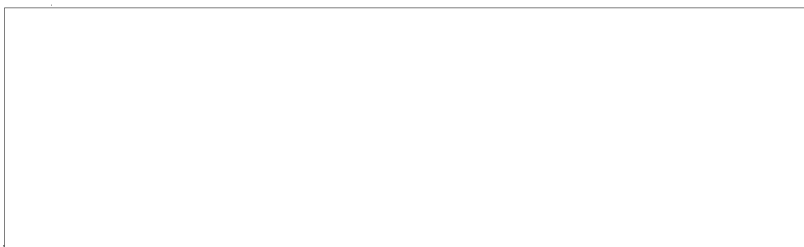
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The Prime Minister has been trying to outmaneuver his opponents, but he suffered a setback yesterday when the Sananikones rallied enough votes to block assembly consideration of Souvanna's budget until the status of the cabinet is clarified.

Souvanna's strategy will be to delay a possible vote of confidence in the assembly until he is sure he has the votes to win or until he can reach an acceptable compromise with the Sananikones, preferably one that won't cost the able Sisouk his job.

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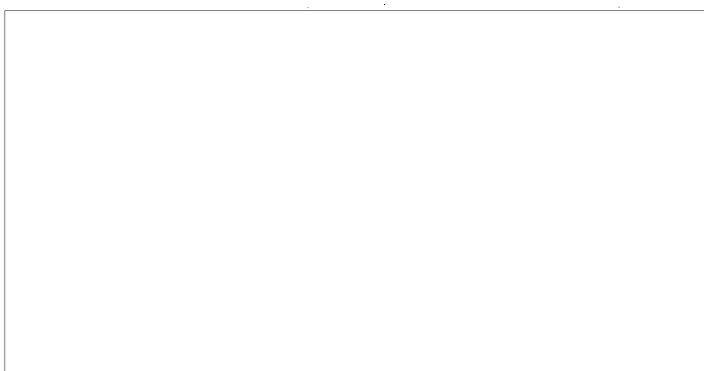
JAPAN-CHINA



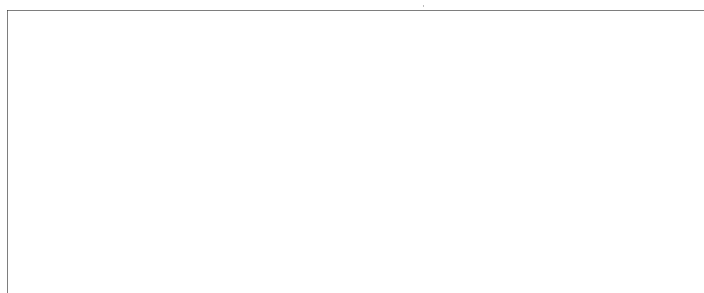
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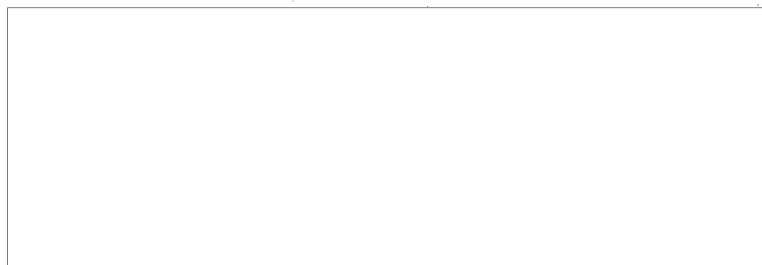
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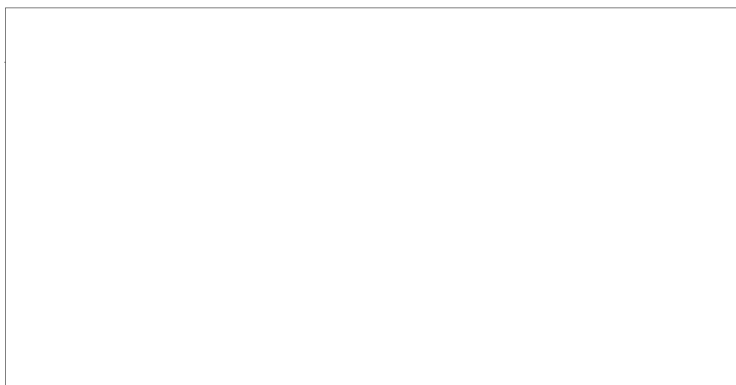
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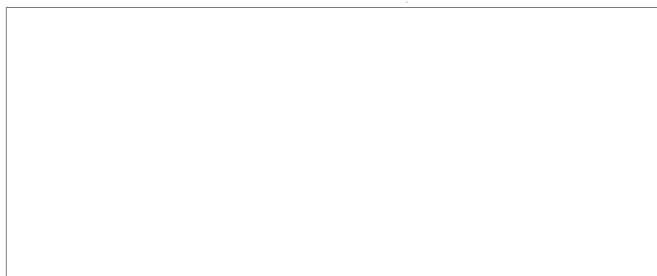
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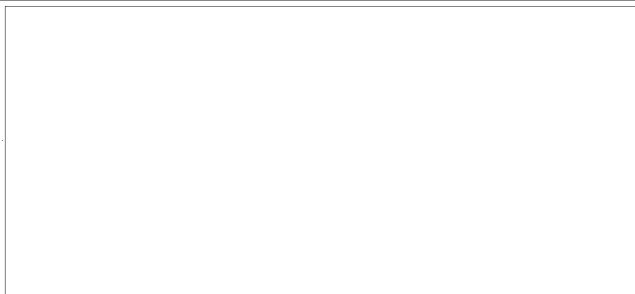
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LIBYA-EGYPT

President Qadhafi may be considering nationalizing or restricting the production of US oil companies in Libya in an effort to bring about a change in US policy in the Middle East. [REDACTED]

[REDACTED] Qadhafi promised Egyptian President Sadat [REDACTED]

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[REDACTED] that, if Egypt would move to reduce the Soviet presence, Libyan pressure on US oil interests could then be employed to stimulate Western military aid. [REDACTED]

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[REDACTED]

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Nationalization of all US oil companies in Libya would not by itself lead to serious problems in the world oil supply. Dislocations that occurred could be overcome by other sources of supply and by redeployment of tankers, both of which now exceed demand. Should Libya only lower the production quotas of US companies, adjustments would be easier since most of these companies are producing at rates below those authorized by the government.

It is doubtful that Qadhafi could persuade other major oil producers in the Middle East to follow this course of action.

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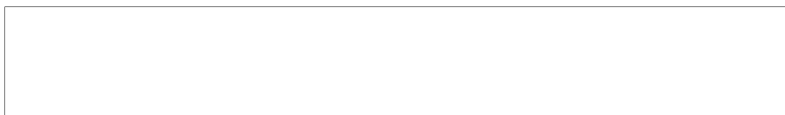
[REDACTED]

[REDACTED] Saudia Arabia's King Faysal earlier this month, for example, publicly rejected reprisals against US oil interests as futile.

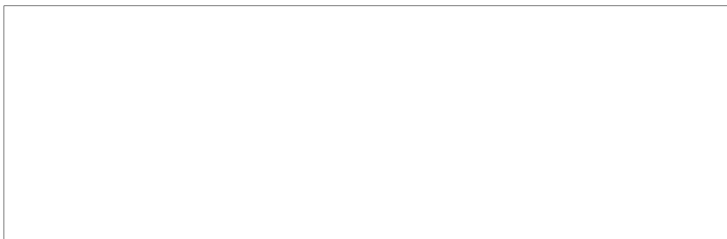
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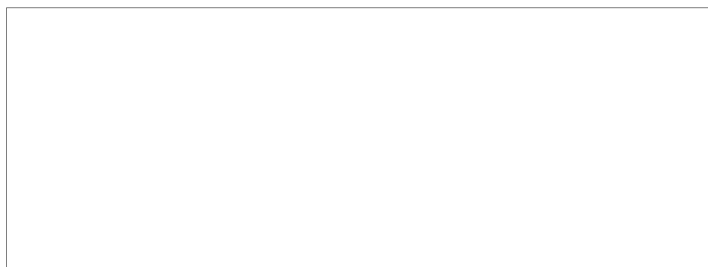
WESTERN EUROPE - MIDDLE EAST



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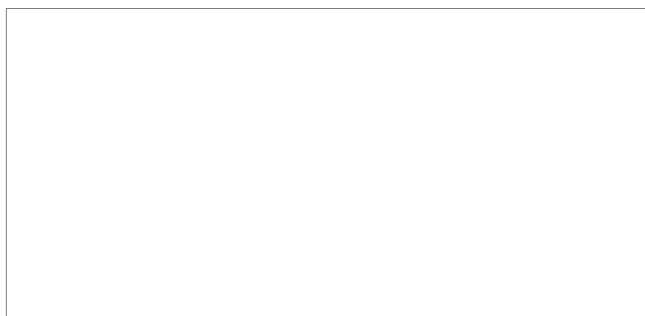
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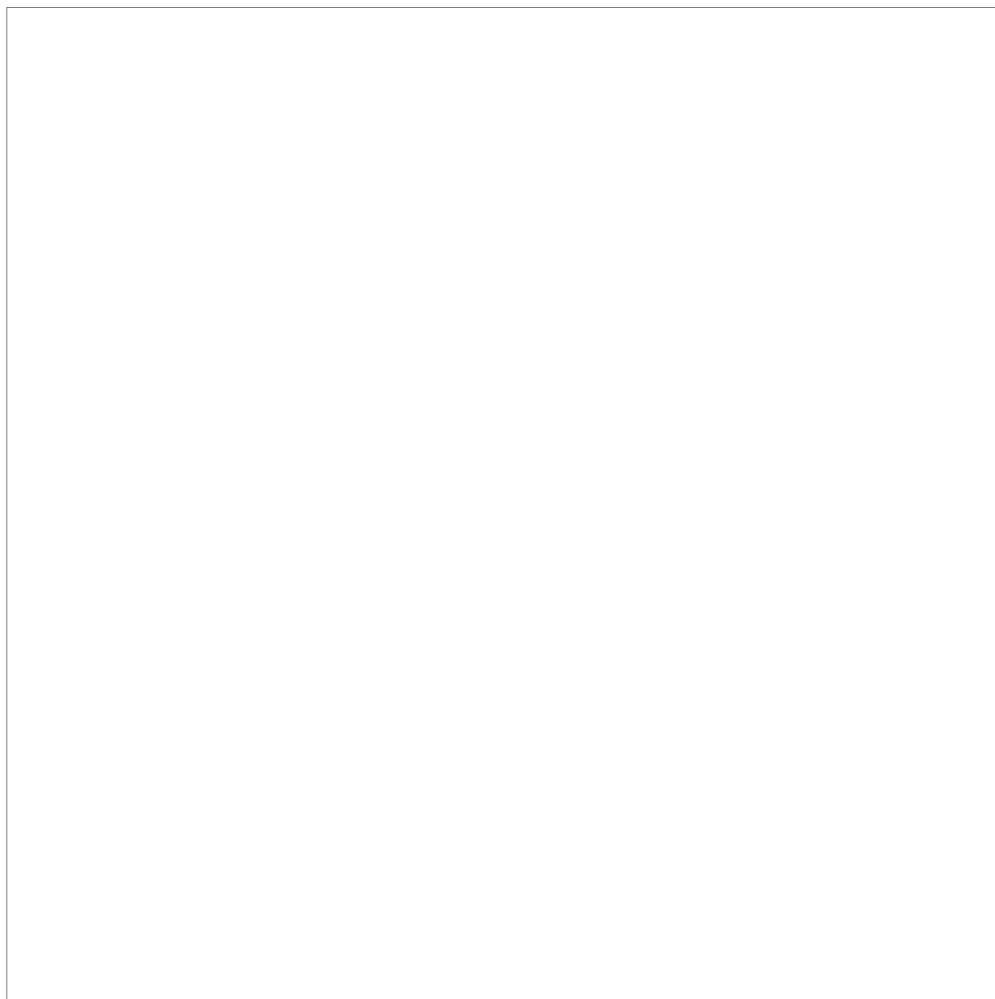
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NOTES

Egypt-USSR:

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USSR: the Soviets are installing a large radar in central Mongolia. This type of radar, which has been under development since the early 1960s, has capabilities for long-range early warning against high-flying aircraft and has been used to track re-entry of space vehicles. Besides its role in air defense, placement of the new facility in Mongolia will also provide the Soviets with limited radar coverage of Chinese missile and space activities at Shuang-cheng-tzu and other test centers in eastern China. This is only the second time that the Soviets have built such a radar outside their own test and research centers; the first is under construction near Baku on the Caspian Sea. This radar is not a phased array or ABM radar and its deployment in Mongolia does not violate the terms of the ABM treaty.

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